

Fremont Budget Committee

9 April 2008

Approved 09/03/2008

Present: Charles Kimball Chair, Mike Nygren, Doug McElroy, Andy Kohlhofer, Keith Stanton, Donald Gates, Jr., Christine Kenneway, Town Administrator Heidi Carlson, Neil Rowland who audio/video taped the meeting, and Recording Secretary Kathy Arsenault

Carlson passed out copies of the agenda, previous meeting minutes and Town expenditure reports for the first quarter. Christine Kenneway passed out a Fremont School District Financial (un-audited) Report.

The meeting was called to order at 7:03 pm by Charles Kimball chair.

McElroy nominated Charles Kimball as Chair of the Budget Committee. Nygren seconded. Majority voted in the affirmative.

Gates nominated Kohlhofer as Vice-Chair of the Budget Committee. McElroy seconded. Majority voted in the affirmative.

Kimball proposed to skip the minutes of the Public Hearings and move on to the Town Budget quarterly reports first. The Committee reviewed the reports.

Kimball discussed with the Committee what to look for while reviewing the reports. Carlson has a list in the computer of items that are once-a-year expenditures. For example, some insurance is payable on July 1st. Kimball also explained that the stipends for the Fire Rescue Department and others are also paid once a year. Carlson clarified that the list she has clearly states this line item by line item. This would be beneficial to new committee members as well as a reminder for others.

Kohlhofer asked about the Treasurer and if she has purchased a computer yet. Carlson explained that no, because it was not voted in at Town meeting. They way it was approved by the voters, a raise was approved, but not the funds that the Budget Committee had included as the recommended budget for the Treasurer.

Kohlhofer stated that this was disappointing. Carlson noted the difference was about \$300.00. Nygren added that the dollar figure comes out the same, but the money was budgeted for different reasons. Kohlhofer stated that the Selectmen should have changed their budget to reflect this. McElroy added that if in fact it had been in both budgets, it would have been helpful.

McElroy noted that it would be a learning process now that SB2 has been approved. Kimball reminded that there is a Budget Committee workshop coming up in June. Carlson will send a reminder out to the Committee for those interested. Kimball stated that it is well worth going to. Further discussion regarding this continued.

Kohlhofer asked about the cost of legal expenses. Carlson stated that in the 1st part of this year Planning & Zoning has a case that is in court right now.

Kimball noted the rise of welfare costs. Carlson agreed and stated that it is going to be even worse this year. She will have to budget even more for next year.

Kimball asked about the maintenance for the Police Dept. and what the Unit #6 is. Carlson replied that she believed Unit# 6 is the DARE car. Not sure what the expense is for, but she can check with Neal if needed.

Some brief discussion regarding training and officer wages continued.

Kohlhofer noted that the mileage reimbursement is way up. Carlson explained that that is an error.

Kohlhofer noted that for Unit #3, the fuel is way up. Carlson believes that is the Chief's cruiser, the unmarked. It is the oldest car we have. Nygren suggested that the Chief should be more accountable for the fuel in Unit #3.

Nygren suggested he would like to get from Neal this year a monthly report for details as revenues against expenses. This is a field that he believes Neal should look at where they could probably go up in costs and use monies to purchase things such as a new car. Carlson stated that you have to vote a special revenue fund in order to do that and the vendor would have to send in two separate checks. Nygren stated that somewhere along the line we need to start making some revenue to purchase items that don't come out of taxpayer's dollars.

Some discussion regarding details and fees charged for detail work in comparison to other towns within the State took place.

Kimball asked about the cruiser funds. Carlson noted that it was amended on the floor at Town meeting.

Some discussion regarding the duties of the moderator at Town meeting began. Discussion about the duties and conflicts of positions began.

Nygren asked about the reappraisals. Carlson stated that we pay for our contracted services with MRI (Assessors) on a bill, monthly.

Kohlhofer asked if we are any closer to appointing an Emergency Management Director. Carlson stated no, we have left it vacant.

McElroy asked about the wage matrix and where we are at with that. Carlson stated that NH Local Government Center has to come back one more time and the draft that we have is quite different from the old version. She will sit down to compare it and meet with the Selectmen to further discuss the matrix.

Carlson asked for the Committee to review the contact sheet she created to be sure all information, email, phone numbers, etc. are correct.

With no further questions from the Town Budget, Kimball moved on to the School District Financial Report.

Kohlhofer asked about the legal expenses. Kenneway explained that there has been a lot of legal advising regarding contracts and the Right-To-Know Act and how that is being handled during Town meetings. She also explained that some of it is also for co-op classes. Kohlhofer asked is that part of the paraprofessionals contract. Kenneway stated yes and for any contracts we deal with we have them looked over by legal counsel.

Kohlhofer asked if there were any final numbers on the Sanborn tuition agreement yet. Kenneway replied no, we haven't heard from them about it yet, they have not responded since their initial response stating that they don't agree with us in that we feel we were overcharged.

Kenneway stated that this issue should never have been brought into public discussion. This was not for public discussion. Gates suggested perhaps we should not go down that path again. Kenneway agreed, noting that it is being pursued; it is not on the back burner.

Kohlhofer asked about the transportation budget. Nygren noted that they are running over. Kenneway replied that they are not running over, this is estimated thru the end of the year. Kenneway reminded that this is an estimated budget adding that we do not foresee any of the Superintendent's budgets going over. Kohlhofer asked about the transportation budget going up. Kenneway stated that the cost of the 2nd bus for the kindergarten program was not in the original contract. McElroy stated that this was brought and questioned previously. Kenneway stated that the administration knew they would need a 2nd bus, but the contract hadn't been approved at that time. Some bids had items in it and some didn't, so it went back out to bid.

Kohlhofer would like to get from the School District a monthly update for review, (by email) for each line item. McElroy suggested quarterly. Kohlhofer agreed that quarterly by email would be fine. Nygren added that we did ask Annmarie originally for a monthly and we were told that would be no problem. They were supposed to provide by month where and why and how money was spent. Nygren added that he would like greater detail on the line-by-line expenditures including Special Ed., to see where the money is going, and to see if the estimates are too high.

Kohlhofer would like to see a list of IEPs and the number of kids with IEPs, physical therapy, occupational therapy, vision, etc. He clarified that no names need be given. Kenneway explained that in the initial reports, you would be able to determine those numbers, and she could certainly ask about that. There is a great deal of data to sift through to obtain that information. Kohlhofer stated that he believes that services may be provided to students that may not be required in the IEP. Kenneway stated that an IEP is not the only way that students receive services; they can receive them through 501 programs as well. Nygren stated that Title 5 does not fall under Special Ed. Kenneway said yes, she believes that it does. Nygren stated that he has called the State on this and that it does not.

Kohlhofer stated that the 3 to 5 program, should not come out of the School tax or the Town tax, it should come from the State except for what the federal government makes up for. Kohlhofer wants to know where the funds are coming from. He believes it should be State and federal funded, and should not be charged to the Town/School tax.

Kohlhofer discussed again the need and purpose of monthly/quarterly reports from the School District. Kenneway asked if this was his request or the request of the Budget Committee. Kohlhofer made a motion to receive quarterly updates of the financial reports for the School District. Gates seconded the motion. Majority voted in the affirmative.

Nygren requested that as of April 1, 2008 a complete list of the entire staffing, teacher's aides, etc. He wants to see how many people we have and what we pay them. Kohlhofer asked is the teacher contract up this year too. Kenneway replied yes it is. Kohlhofer stated that one of the problems about the negotiations is the health insurance and the lack of flexibility. You can't explore or even look at any other options. Kenneway added that the only way that you can look at other options is at negotiation time. Nygren added "exactly". He continued that is why we are bringing it up again, to explore other options. They have a very expensive plan that cost more for their insurance than if you give them a raise. Kenneway added that the average person doesn't realize how much companies pay for health insurance. Nygren said that we should be looking at offering other plans that the Town can afford and still give them raises. Kenneway replied you make a good point, I have been on the Board a long time and we have used the plan for a very long time. She continued that some companies are going to the more-you-make the more-you-pay programs. Negotiations take in the competition and try to keep things fair. Kohlhofer added that we need a provider for the teachers and for the townspeople to support.

Kenneway asked is there anything you would support with Health Insurance. McElroy added that in private business, they are limited. You have to pay more and get less. Kenneway stated that they are taxing you indirectly through the school taxes they are all directly related to the federal mandates. Kohlhofer stated that is getting extremely complicated with State and federal mandates and how they are interpreted. He added that the other side of the coin is that we need to be able to sustain the school.

Discussion regarding health insurance programs and its fees continued.

Kimball stated that he has asked Annmarie to have everything that is mandated to be marked or asterisked on the budget reports. This will eliminate unnecessary discussion on things that are mandated.

Carlson wants the Committee to start thinking about timelines for the next budget season. Timelines will change by a couple of weeks due to the passage of SB2. Carlson would like to know dates for upcoming meetings. The School District will have to abide by deadlines of the Town if they want to continue to have their information printed in the Town Report. Posting deadlines and public hearings are affected by an earlier schedule. Nygren asked if Department Heads would have to have their reports in earlier. Carlson said yes.

Discussion regarding timelines and public hearings for 2009 continued.

Nygren stated that coming into the School District meetings, getting a report will be better to use if it is monthly rather than quarterly, so we can continually see where we are and where projections are. There is more to see in a monthly report than in a quarterly.

He continued that last year Scribner gave us a report from the prior year-end. We didn't know how the money was spent, or where it was spent, etc. We would like a better idea as to how you spend it.

Kimball stated that he asked Annmarie to submit a timeline for school meetings. Kohlhofer asked if they have to do it with the Town. Carlson said no, however it is more costly. McElroy added that they are not budgeted for that either.

Kohlhofer asked if the report of the Budget Committee could be published in the Town newsletter. Carlson said yes. Nygren asked about how much did it cost last year to print the newsletter. Carlson replied, about \$1400.

Carlson noted that we have to get a jump on this because it is going to be a new process for us all (SB2). Carlson explained that the dates are good and that the earlier we post and advertise, the easier it will be for people to acclimate themselves to these changes.

Discussion for Town and School meeting dates and times continued. Carlson reminded that some dates are set by statute. McElroy added that the School District has their work cut out for them. Their budget needs to be in earlier so that we can spend more time on it. McElroy added that they are on a timeline if they want to be in the Town Report, or they can make their own, however we would need a decision on that.

Kenneway asked how SB2 affects the change of voting dates. Carlson explained the law on RSA 40:13 and how it is adopted, she then read aloud the statute. Clarifying that we (the Town) would stay in March unless we have adopted something else.

Carlson stated that she spoke with Jane Samms from the DRA since accepting SB2. She is looking into special sessions (if any are available), for people to understand it better.

Kenneway reported to the Budget Committee that they are investigating with a lawyer the MBA Act. She continued that our lawyer stated that a lot of towns think that they are an MBA, (Municipal Budget Association) when in fact they are not. Upon doing research it was realized a vote would have had to take place in order to accept that. Sometime in 1993 the Act was repealed and we are looking into it because it does make a difference. So far, we have not found any evidence that proves a vote was taken to be official become a MBA Town. She continued that it does matter in how the process works, timelines and the papers or documents that we have to file. She continued that it has to be at an annual meeting by ballot vote. Upon which a committee has to be elected.

Discussion regarding this topic continued.

Kohlhofer asked what happens if you don't find any evidence of a vote. Kenneway replied that you would fall back to the other side of the law until you have another annual meeting to vote on it. Kohlhofer stated that just because you don't find it doesn't mean that it didn't happen. Kohlhofer asked who would you then notify. Kenneway replied that the DRA would have to get involved at that point. She continued that these are the things we (The School Board) are looking into and you are welcome to do the same. This has been ongoing for a couple of months now. Another thing that could take place is an investigation through the DRA at their offices on microfiche.

Kohlhofer stated that there would have to be some kind of hearing to inform people. Gates noted that in the absence of either or, there is no support either way. A vote should be taken at next town meeting. Kenneway stated that the DRA wasn't sure if the Town has to revote. From 1993 on for certain, there is nothing we can find. Kenneway added that the School District was told by legal counsel to look into this.

This discussion continued with the ultimate goal of getting it fixed. Kenneway stated that because we are one School District and one Town, whatever the Town votes for, the School District follows.

Kimball suggested the next meeting of the Fremont Budget Committee would be the 13th of August 2008 at 7:00pm.

Kenneway stated that she would talk to Annmarie about financial reports being sent to the Budget Committee.

Nygren made a motion to change the request for financial reports from the School District to be received monthly instead of quarterly. Kohlhofer seconded the motion. Majority voted in the affirmative.

Public Hearing Meeting Minutes were reviewed.

Carlson suggested scheduling a special meeting in February, for the purpose of approving Public Budget Hearing meeting minutes for the 2009 calendar. The Committee thought that this would be a good idea.

Discussion began regarding scheduling of budget hearing dates and meeting dates for next year's budget season. Kenneway reminded that there are 2 contracts to negotiate for the school, so there will be a great deal of juggling with night meetings.

Kohlhofer asked if it comes to light that we are not an MBA town, we would only be for advisory purposes and therefore you would not have to present us your budget. Do we come up with a budget or do we just say yes or no to the budgets that are presented to us. He would like to know how this affects the Budget Committee. Kenneway stated that it is described in Law #32.

Kohlhofer made a motion to accept the meeting minutes of February 2008, as amended. Gates seconded the motion. Majority voted in the affirmative with Kenneway and Stanton abstaining.

Nygren made a motion to adjourn the meeting. McElroy seconded the motion. Majority voted in the affirmative. The meeting was adjourned at 9:05pm

Respectfully Submitted,

Kathy Arsenault
Recording Secretary